

THE OUTCROP.

Devoted to the Mining and Development of the Windermere and Golden Divisions of the District of North East Kootenay.

Book VI., Chapter 48.

Wilmer, B. C., Thursday, May 3, 1906.

\$2.00 Per Year.

Giant Mine Bonded

Frank Smelter People Take 15 Year Lease and a Bond for \$100,000--Biggest Deal Made in District

Last week the biggest deal yet put through in North East Kootenay was closed, when Mr. C. Fernau, manager of the Canadian Metal Co., operating smelters at Frank and Pilot Bay, bonded the Giant group of three claims at Spillamachene for the sum of \$100,000, and secured a lease on it for 15 years. The bond may be taken up at any time after development is started, and the lease requires work to be carried on continuously and a royalty paid the owners. A concentrator, with a capacity of 200 tons is to be erected shortly at or near the mine, which may be operated as a custom mill. No cash has been paid down as the owners asked for none, taking the broad view that the country generally would be benefited by their showing their confidence in the property and willingness to give capitalists every opportunity.

This is an important deal to all British Columbia for all visitors to the mine state that the lead is the widest yet uncovered in any silver-lead property in this province.

An Owner of Giant Interviewed

Capt. F. P. Armstrong was seen on arrival of the Parnian Monday afternoon and at once admitted the deal for the Giant mine had been closed. Asked for information the Captain said:

"Yes, I can supply you with the information of the deal. I asked Mr. Fernau if he had any objection to my supplying the Outcrop with the particulars of the deal and he said he had none."

"Well, last Monday I brought Mr. Fernau upon the Parnian to Spillamachene, and he examined the Giant and we closed the deal that night. I hardly necessary to say he was pleased with the property we showed him."

"The Giant mine up to then was held in my own name, although Thos. Jones and J. W. Devlin were my partners in the group, and, of course, that had to be settled."

"The deal made leases the Giant to the Canadian Metal Company for a term of 15 years, on a royalty to be paid us. The company have to begin work immediately and it is to be continuous. Any interruption in the operation cancels the lease. The company also has a bond on the mine for \$100,000, which they are at liberty to take up at any time."

"We were offered a substantial amount in cash for the property, but preferred to lease it as we have every confidence in the mine, and believe it will prove best for us and the whole country generally. We took no cash down and also believe this is setting a good example, for capitalists will see that it is easy to get hold of mining property in North East Kootenay. I may say just here I have been surprised to find how many men are making enquiries of this country lately from all over."

"The Canadian Metal Co. will start development work at once, and a little later will erect a 200-ton concentrator. At present they are in doubt whether to put the concentrator on the bank of the river or near the mine. That depends on what Mr. Fernau said he would like me to tell you to state that if he finds he can arrange to treat other property, the concentrator will be built at the river and used as a custom mill."

Grub Staking

The bitterly fought "grub stake" suit of J. Otto Johnson and other claimants against the Bullfrog Mining Co. has been

settled out of court for a consideration of \$150,000. The settlement was supposed to have influenced the settlement, says the New York Mining Topics. Much litigation has resulted from the custom of "grub staking", a custom which commands itself because of the discovery and development of many mines through its prevalence. The trouble has arisen in the main from the generally loose character of the agreement made, and it might be obviated by having such agreements written and put on record. If a verbal grub stake agreement be made and carried out for several months or a year, and no discovery be made to encourage the party who is bearing the expense, it is not at all improbable that he will, by a series of metal cuttings, convince himself that he has been bearing more than his share of the burden, and that any discovery made cannot be shared equally. It is at this critical moment the man in the field should strike a valuable ore deposit, the mental attitude of his partner would be intensified by the prospect of acquiring sudden wealth and the result would be that the man in the field would be left out of consideration. His only redress would lie in an appeal to the courts for justice, but if he were not possessed of an agreement with him, he would stand the technical requirements of the law, his chances of obtaining justice would be scant.

Canada's Mineral

Practically all the valuable minerals are found in Canada. Canada's mineral production in 1905 reached 70 millions. Canada has produced in the last 20 years 600 millions worth of minerals. Canada has produced 200 millions in gold since 1802. One half of this has come from the Yukon since 1896. The Yukon produced 12 millions worth of gold in 1905. Canada ranks fourth among the world's gold producing countries. British Columbia has produced nearly 100 millions in gold all told. Canada's Yukon gold field is 125,000 square miles in area. Yukon placers have produced more gold than any other placer lands in the world. Canada's mineral production has increased 600 per cent since 1880. Capital invested in Canadian mining,

104 millions. Nickel was accidentally discovered at Sudbury in 1885. Canada produced 40 millions worth of nickel in 1905. Sudbury's nickel mines have reached a depth of 1200 feet. Canada has the best and richest asbestos in the world. Gold was accidentally discovered on Klondike creek, Yukon, in 1896. Canada produced 14½ millions worth of coal in 1904. Canada has 100,000 square miles of coal-bearing lands. British Columbia produces over one million tons of coal a year. British Columbia produces 200,000 tons of coke a year. 15,000 miners are employed in the Boundary country of B. C. alone. The Crow's Nest coal beds are estimated to hold enough coal to last for 5,000 years, if mined at a rate of four million tons a year. Mineral bonuses paid in 1904: Pie iron and steel ingots, \$93,841, and lead, \$152,229. Canada produced six millions worth of copper in 1905. Canada produced 85 per cent of the world's total product of corundum. Canada produced nearly one million's worth of petroleum in 1905. Canada's mining exhibit at St. Louis ranked among the best.

DISTRICT CROPPINGS

And Other Items of Interest in a General Way

Saturday J. A. Stark returned from a trip up Toby creek to the Nettie M. mine and reported that everything was going along well at the mine. There was a good showing of nice looking ore in the tunnel where the men were at work, which continued to improve with development. There is about three carloads of ore ready to ship and it is the intention to haul it to the river landing as soon as the road is required. It is not a year since the Nettie M. was discovered and as two carloads of the ore were shipped last fall, returning hands some profit, it is shown this is the best "grub-stake" proposition yet located in the camp. Mr. Stark says the snow is all gone around the mine and for a long distance above it, and the grass has started to grow. He also stated Mr. Washburn and her children were well and happy.

Wm. Haupt returned last week from Cranbrook and reports British Columbia's busy city a bustling place. He says he saw many of the boys who went south from here and they are all piling up their millions. Bonanza Jack was at work in the Britton mine and had not mined a shift in fourteen months. Jack Donohue, the tonorial artist, was doing artistic trimming on a barn with a hammer and wore his usual smile. And all the others were busy, but all intend to come back again. Mr. Haupt was all through the Marysville smelter and says it is very complete plant.

Late arrivals from Golden state that the big construction force working on the Kootenay Central is making rapid headway and at the present rate will be long in completing the first ten miles of the railway. One man states that he was informed that the deepest cut in the whole 10 miles is not more than 12 feet. This goes to show what an easy road it is to build.

Spillamachene promises to be one of the liveliest places in the district this season.

Hon. W. C. Wells is expected to arrive on Friday's Parnian.

Judge Wilson opens County Court at Wilmer at 11 a.m. Saturday.

Among the mines that will be worked or shipped on this season are the World's Fair, Trenches, Parnian, Paradise, Nettie M., Black Diamond, B. C., Nicholsons, and Lead Queen.

A gang of men, under the foremanship of Thos. Martin, went up Toby creek on Tuesday to repair the wagon road. It is said the repairs necessary this season are light.

It is reported that J. A. Macdonald, K. C., leader of the opposition in the B. C. legislature, will arrive in Wilmer on Saturday. It is not known whether he comes on political or court business.

Dave Jackson, formerly of Atholmer, was laid up for four months last winter at Butte from copper poison. R. Morland states that Dave cut his leg very lightly in some way at one of the mines and shortly after the trouble started and he had a very serious time getting rid of it.

It is stated Jim Hill has bought the Shuswap & Okanagan Railway, on which the C. P. R. have a lease which soon expires. The C.P.R. evidently thought they had a clinch on this road as they neglected to renew their lease until it was too late. Judging from this the man who knows whether the K. C. R. will be built or not is Jim Hill.

Cranbrook Herald: Mr. Fraser, the driver of the Windermere stage, is taking orders for strawberries which he claims can be gathered in that country as soon as the snow melts from the bench lands. The gentleman further avers that the Cranbrook bananas is not in it with the Windermere snow bank strawberries.

R. Morland returned on the steamer Parnian Sunday from Phoenix, where he has been working in the mines for some months. He states that the Boundary is a very active mining country and is going ahead rapidly. But, Dick says, for climate and health he prefers to live in the Kootenay Central valley.

J. D. Gillis, late principal of the Boys' Central school at Victoria, has been appointed a public school inspector, and as the inspector of Kootenay and Boundary is now vacant it is believed he will have charge of it. Mr. Gillis is said to be very popular with his colleagues of the profession and locally it is hoped he will be more popular with the scholars, teachers and trustees than his predecessor.

V. F. Dunn and wife arrived in town Sunday evening from Spillamachene, and they remained in this vicinity for several days. Mr. Dunn has been busy repairing the telegraph and telephone lines and instruments and reports them all now in first-class condition. He also ran a telephone line and put in several phones along the big flume for the Columbia River Lumber Co., which will be a great convenience in case of accident when they start to run their logs down their flume.

Cranbrook Herald: Friend Mott, of the Fernie Ledger, does not propose to let Cranbrook have the Kootenay Central Railway. Mr. Mott asks the people of Fernie to form a defensive and offensive alliance with Fort Steele against Cranbrook. You are off on the wrong track, Mr. Mott. Work for Fernie, but don't try to build up Fernie by fighting another town. It never pays. The Herald and the people of Cranbrook are for the Kootenay Central whether it comes to Cranbrook or not, but they will do all they can in a legitimate way to secure connections with that road.

Revote of K. C. Subsidy Not Asked For

Just as The Outcrop is going to press the following telegram is received from President Pollen at Ottawa:

Ottawa, Ont., May 2, 1906.

Editor Outcrop.—Your Ottawa correspondent is mistaken. No extension of time for charter or subsidy of Kootenay Central has been asked for.

H. G. POLLEN.

The following letter has been received from Mr. W. A. Galliher, M.P., in answer to a telegram sent him in accordance with a motion passed at a public meeting held in Wilmer, asking him if a revote of the Kootenay Central Railway Company's subsidy had been applied for and informing him that the citizens were strongly opposed to the Government allowing any such revote:

Ottawa, April 23rd, 1906.

G. A. STARKE, ESQ., Wilmer, B.C.

Dear Mr. Starke,—I have your telegram of the 12th. So far as I know there is no revoting of Kootenay Central Railway subsidy being asked.

Yours truly, W. A. GALLIHER.

The above letter has been received here with great satisfaction, and the general impression prevailing now is that construction of the road will be continued and the road completed by August 2nd, 1907, in keeping with the conditions of the subsidy act.

However, just what the K. C. R. people want at Ottawa is somewhat of a mystery here, as it was already reported they had applied for an extension of time on their charter, which has until 1909 to run; and the question is asked, why should they want an extension of their charter at this particular time? Some have suggested that there is an error in the report and that it is an amendment to the charter that is being asked for. This solution appears reasonable for it is known an amendment is required. In brief the charter act provides the survey shall run "to" the International Boundary line, whereas it should read "toward" the line, as the railway will only be built to connect with the Crows Nest.

As a revote of the subsidy has not yet been asked for it is not likely that it will be asked for at all, as the present session of Parliament is drawing to a close. In that case construction must soon be vigorously pushed in order to take advantage of the subsidy, amounting to \$550,000.

No Need to Hustle

A few days ago a press despatch contained the news that W. T. B. Preston, of the High Commissioner's office, London, Eng., had been over to Hungary, and after discussing on the merits of the wheat grown there advocated pushing emigration work amongst them, a policy which is neither needed nor advisable.

At the present time, the flow of immigrants into Canada is such, both from Great Britain and the United States, as to render a government propaganda in other parts of Europe entirely unnecessary. Unfortunately the foreigners of alien tongue settle in colonies, and later on become a menace to good government. As soon as they learn the customs and ways of Canada, these alien colonies elect their own men to legislatures and can play both parties for support, and as these people have not the instincts of good government, having been raised and bred for years under autocratic regimes, they are likely to better their allegiance for some tangible recompense in the form of either financial, educational or religious advantage, to the detriment of the country by being provocative of continual strife. If the stream of English speaking people to Canada keeps up, as it bears every evidence of doing, the government can well afford to redirect the energies of some of their officials, so that such will flow in channels more profitable, both now and ultimately, to Canada and her people.—Winnipeg Farmers Advocate.

The No. 3 creek ranchers held a public meeting last week and formed a Game Protective Association. H. Ogilvie was elected president and J. McCullough secretary-treasurer. J. Hurst was duly appointed special game warden to see that the law is strictly enforced in future as regards fish and all other game. The citizens as well as Indians will have to be very careful in future as the ranchers are aroused and mean to spare none. It is possible that a crack team of the Wilmer Rifle Association may go down to shoot with Ogilvie on the 24th. The theory of the men are busy that difficult is being found to get a team together.

THE OUTCROP.

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W. P. BYRNE, Publisher and Proprietor.

WILMER, B.C., THURSDAY, MAY 3, 1906.

The continued high price of silver, lead and copper is about to have its good effect upon this camp, and the present indications are that some of the mines in the Windermere district will now open up and ore shipping be started once more.

The mine owners are beginning to realize that it will no longer pay them to wait for the building of the railway through the valley, when the metal market prices continue high and steady—much as a railway means to the ultimate success of mining in this country.

One of the owners of the Black Diamond remarked to The Outcrop the other day:

"We are going to ship out at least one hundred tons of the Diamond ore and as much more as we can before navigation closes next fall, and find out exactly what the ore is worth. There is one thing certain about it, and that is, that if it won't pay us to ship it now it never will."

Some mining men reason that by waiting for the railway they may only be losing now what they may gain in freight by waiting, and believe that now when the market quotations are good is the time to ship; and it must be admitted that their reasoning is good logic, and high grade properties should now become heavy shippers.

It is also argued that even the owners of low grade properties may find it advantageous to carefully sort over their ore and ship it now, as with the present high prices for silver and lead it is quite possible they may prove to be the gainers thereby eventually. Even taking into consideration that a year or two hence they may be able to concentrate or even smelt their ores at or near the mines and have all the other advantages of railway facilities, who can say that more will be realized from the ore then, than can be realized now under existing conditions? This is the question some mining men are asking. It is possible, and not improbable, that the value of the metal contents of the ore may depreciate to a figure equal—or even less—to the price that can now be realized. Then, too, there is the opportunity of getting early returns on the capital invested and also of further developing the properties; which are two things of paramount interest to all mining ventures, and which, no doubt, are being considered more than all other points in re-opening the mines.

The actual amount to be saved on ore in freight rates, when the railway is built, will really amount to very little over the present rates by boat, and if the river was navigable the whole year the advantages would perhaps be about equally divided. So that while the market quotations remains steady and much higher than when the mines were being operated before, there is ample reason for the mines being re-opened now.

As has been remarked many times, had the building of the railway never been heard of this country would have advanced much more rapidly the past two or three years. Especially would this have been the case with regard to our mining interests, for then development would have been carried on steadily and no doubt the present transportation facilities would have also been greatly improved. But with the railway promises held out the mines were justified in curtailing expenses and the navigation improvements were not to be expected, in fact the largest steamer on the river had to be tied-up.

However, it is not to be expected that if the mines all do start work this season the results in shipping ore will amount to any great amount, for that would be next to impossible under the conditions to be contended with; as the locations of most of the mines are some distance up the creeks and it is usually much cheaper to take the ore out in the winter over the snow.

To what extent ore will be shipped this season it is impossible to estimate at present, but it is known that it is the intention to ship ore from five different properties and that nine properties will be working, while there is every prospect of several others starting. This will undoubtedly make a great difference to every line of business throughout the district and should encourage other mine owners to do something. Then, if railway construction is continued at the present rate this will be as lively a camp as there will be found in B.C. before fall.

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